

IOWA FINANCE AUTHORITY

PERFORMANCE REPORT

Performance Results for
Fiscal Year 2007

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<u>WE HOPE THAT AFTER READING THE REPORT, CITIZENS AND STAKEHOLDERS WILL BE MORE AWARE OF THE ROLE IFA PLAYS IN THE VIABILITY AND VIBRANCY OF OUR STATE. A MORE ACCURATE NAME MAY BE THE IOWA “HOUSING AND COMMUNITY DEVELOPMENT” FINANCE AUTHORITY AS THE AGENCY FINANCES 95% OF THE AFFORDABLE HOUSING UNITS RECEIVING STATE FINANCIAL ASSISTANCE AND MORE THAN 90% OF THE WATER QUALITY PROJECTS RECEIVING STATE FINANCIAL ASSISTANCE. MOREOVER, IFA’S OPERATIONS ARE PRIMARILY SELF-FUNDED THROUGH INTEREST EARNINGS PLUS SOME MISCELLANEOUS FEES THEREBY PROVIDING IOWA TAXPAYERS WHAT MAY BE THE BEST BARGAIN IN STATE GOVERNMENT.....</u>	<u>3</u>
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INTRODUCTION

The Iowa Finance Authority (IFA) is dedicated to financing, administering, advancing and preserving affordable housing and promoting community and economic development for Iowans. The following report illustrates the performance of many of IFA's programs during fiscal year 2007. It does not include information about programs that were inactive during the fiscal year. IFA's Board and staff are pleased to share this information as part of our commitment to creating and administering diverse initiatives with a results-driven approach.

We hope that after reading the report, citizens and stakeholders will be more aware of the role IFA plays in the viability and vibrancy of our state. A more accurate name may be the Iowa "Housing and Community Development" Finance Authority as the agency finances 95% of the affordable housing units receiving state financial assistance and more than 90% of the water quality projects receiving state financial assistance. Moreover, IFA's operations are primarily self-funded through interest earnings plus some miscellaneous fees thereby providing Iowa taxpayers what may be the best bargain in state government.

There are 86 employees organized into the following sections: Administration, Compliance, Finance, HousingIowa, Title Guaranty, and Water Quality. IFA is governed by a nine-member board. The Title Guaranty Division has a separate five-member board. Members of both boards serve staggered six-year terms. Board members and IFA's executive director are appointed by the Governor and confirmed by the Iowa Senate.

IFA Board

Kay Anderson (Chair), LeMars
Roger Caudron (Vice-Chair), Sioux City
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Steve Adams, Red Oak
Heather Armstrong, Cedar Rapids
David Erickson, Des Moines
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TGD Board

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Berneil Preul, Denison
Surasee Rodari, Des Moines

On behalf of the board and staff of the Iowa Finance Authority, it is my pleasure to present the performance results for fiscal year 2007.

Sincerely,

Bret L. Mills, Executive Director
Iowa Finance Authority

AGENCY OVERVIEW

The Iowa Finance Authority was established in 1975 with the purpose of advancing affordable housing in the state. Since then, IFA's role has expanded considerably. In addition to funding and administering housing programs that address a range of housing needs, IFA also issues tax-exempt bonds to finance a variety of economic development activities and infrastructure projects. In 1985, IFA's Title Guaranty Division was established.

Vision: IFA will improve the quality of life for Iowans by providing affordable housing opportunities and financing community and economic development.

Mission: To finance, administer, advance and preserve affordable housing and to promote community and economic development for Iowans.

Guiding Principles: These core values describe how IFA conducts itself in carrying out its mission:

- Customer Focus
- Results Orientation
- Long-range Thinking
- Data-based Decisions
- Continuous Improvement
- Collaborative Leadership
- Employee Participation
- Financial Responsibility and Integrity

Core Functions: IFA performs its mission through the following activities:

HousingIowa – Provide opportunities for all Iowans to obtain and maintain safe, affordable and accessible housing.

Title Guaranty – Offer a low-cost mechanism to guarantee title to real property in Iowa, working with attorneys, abstractors, and lenders throughout the state to ensure the integrity of the land title transfer system and facilitate transactions in the secondary mortgage market.

Water Quality Programs – Provide financing for loans to Iowa communities for clean water and drinking water projects.

Community Development – Provide low-cost financing for community and economic development projects.

Resource Management – Provide timely and accurate services and infrastructural needs to agency staff, housing partners, and other state agencies economically.

Programs: IFA executed its core functions through the following programs and services in FY07:

IFA's *FirstHome* program provides affordable mortgage financing to qualified homebuyers. IFA issues tax-exempt mortgage revenue bonds to fund the program, and mortgage loans are provided to borrowers through more than 400 participating lenders across the state. In FY07, IFA purchased 3,080 *FirstHome* loans totaling \$268 million, including \$124.5 million in *FirstHome Plus* loans. *FirstHome Plus* provides cash assistance of up to \$2500 for down payment and closing costs. In FY07, 1,240 homebuyers took advantage of the *FirstHome Plus* program.

IFA's *OurHome Rehabilitation Program* provides low-interest loan funds for qualified entities to rehabilitate single-family homes in Iowa. Launched in 2006, the program provided loans to four organizations in FY07, including the Southeastern Iowa Regional Planning Commission, the Southern Iowa Council of Governments, the City of Ames, and the Oskaloosa Housing Trust Fund.

IFA's *NewHome Program* provides low-interest loan funds for qualified entities to build affordable single-family homes in Iowa. Applicants include non-profit 501(c)(3) organizations, cities or counties, community housing development organizations, economic development corporations, local housing trust funds and public school or community colleges with a trade class apprenticeship program. Priority is given to those applicants serving households at or below 80 percent of the area or statewide median income, whichever is greater. Launched in 2006, IFA has provided low interest loans totaling over \$6.1 million to Iowa non-profits for more than 150 new homes.

In partnership with the Iowa National Guard, IFA launched the *Military Service Member Homeownership Assistance Program* in March 2005 with a \$1.05 million state allocation. In 2006, the Legislature allocated an additional \$2 million for this program, which provides dollar-for-dollar matching grants up to \$5,000 toward the purchase of a home to military personnel who served or serve on active duty since September 11, 2001. In FY07, the program helped 391 service members buy homes. Iowa is one of only a few states that offer this type of program to its military personnel.

Through the *Low Income Housing Tax Credit Program*, IFA allocates federal tax credits to developers. These credits provide a dollar-for-dollar reduction to an investor's federal tax liability on ordinary income. The credits are awarded annually on a competitive basis. Tax credit interest is sold to investors to generate equity for the housing developments. The Internal Revenue Service annually allocates tax credits to states based on their populations. In FY07, nearly \$6 million in Low-Income Housing Tax Credits will result in the production of 621 units.

The *Multifamily Loan Program* seeks to preserve the existing supply of affordable rental units at risk of being lost and to foster the production of new affordable rental units in Iowa. During fiscal year 2007, IFA financed the construction or the acquisition and rehabilitation of two multifamily projects through the issuance of tax-exempt bonds. This amount totaled \$22 million for 425 units. The Authority also funded five loans in the amount of \$3.38 million for 93 units during the fiscal year.

The *State Housing Trust Fund* is held at IFA, with 60 percent of available funds allocated to local housing trust funds and 40 percent of funds allocated to project-based housing programs. The program was funded for \$2.4 million dollars in FY07. Nineteen awards, representing \$1.93 million, were given to grantees. This amount represents 1,016 affordable housing units through SHTF grants and other leveraged funds. Additionally, in FY 07, every dollar of SHTF investment leveraged \$15.09 in additional funding.

The *Senior Living Revolving Loan Fund* provides first mortgage financing to recipients of Low-Income Housing Tax Credits for the construction of affordable assisted living facilities and service-enriched housing for low-income people with disabilities.

Since 1996, the *Home and Community Based Rent Subsidy Program* has provided temporary rental assistance to people who receive medically necessary services through Medicaid waivers until the person becomes eligible for a Housing Choice voucher from the U.S. Department of Housing and Urban Development or any other kind of private or public rent subsidy. In 2005, IFA took over the administration of the program through a 28E agreement with the Iowa Department of Human Services.

The *Aftercare Rent Subsidy Program* provides financial assistance for youth who are aging out of foster care and are participants in the Aftercare Services Program. The program's goal is to teach Iowa youth independence, life skills, and renter rights and responsibilities. In 2004, IFA began administering this program through a 28E agreement with the Iowa Department of Human Services.

The *Iowa Council on Homelessness* was created in 2003 with IFA named the lead agency for coordinating the Council's activities. In FY07, IFA and the Council secured over \$1 million from the federal Emergency Shelter Grant (ESG) Program and \$1 million from the state's Homeless Shelter Operations Grant (HSOG) program. IFA received 130 applications for the ESG and HSOG funds and awarded grants to 118 organizations across the state.

IFA holds a performance-based *Section 8 Program* contract with the U.S. Department of Housing and Urban Development to provide oversight of select project-based Section 8 properties in Iowa. The contract covers 242 properties providing affordable housing to 12,185 low-income Iowans in 75 counties.

IFA's *Title Guaranty Division (TGD)* is the state's low-cost mechanism for guaranteeing title to real property. In FY07, *Title Guaranty* issued 35,445 certificates, covering nearly \$5 billion worth of Iowa real estate. Since its inception, TGD has transferred more than \$40 million to IFA to supplement affordable housing programs.

The *Community and Economic Development Loan Program* furthers the development and expansion of business, nonprofit organizations, and housing within Iowa. Since 1982, IFA has issued more than \$3 billion in tax-exempt bonds, the proceeds of which are loaned to borrowers to finance qualified projects. In FY07, IFA provided over \$471 million to 26 projects in various locations around the state.

The *Water Quality Program* division is a key component of the Authority's operations. IFA and the Iowa Department of Natural Resources jointly administer the *State Revolving Fund (SRF)*. The fund, capitalized by the U.S. Environmental Protection Agency grants, provides low-cost financing for community drinking water and wastewater improvement projects. Approximately 270,000 Iowans will benefit from the 28 new Clean Water loans and 29 new Drinking Water loans that closed in FY07. Clean Water loans totaled more than \$31.6 million and Drinking Water loans totaled more than \$31.5 million. Since inception the SRF Clean Water Revolving Loan Fund has loaned \$560.1 million to 367 communities and the SRF Drinking Water Revolving Loan Fund has loaned \$233.2 million to 168 communities.

Special terms of 0% for three years has incited many Iowa communities to begin the process of building or repairing their water infrastructure facilities as 34 Clean Water *Planning and Design* loans were made totaling \$12.35 million and 23 Drinking Water *Planning and Design* loans were made totaling \$6.25 million in FY07. Since creation in 2005, *Planning and Design* loans for Clean Water projects total \$13.9 million for 44 communities and an additional \$7.4 million for 30 Drinking Water projects have been closed. In all, almost \$43 million in *Planning & Design* loans have been approved for 148 Iowa communities.

The *General Non-Point Source Program* offers low-interest loans for the restoration of wildlife habitat, stream bank stabilization, urban stormwater management, the remediation of storage tanks, water conservation and reuse and wetland flood prevention areas. Loans can also be made for the water quality components of other projects, such as municipal landfill closure, brownfield remediation, bird sanctuaries, and urban stormwater "good housekeeping" measures. Eligible applications are owners of record or those who have long-term control of the property where the project is to be implemented. In FY07 4 projects were funded through loans of \$5.9 million. Since FY05 when the program began, \$6 million has been loaned for 6 projects.

The *Onsite Wastewater Assistance Program (OSWAP)* offers low-interest loans through participating lenders to rural homeowners for the replacement of inadequate or failing septic systems. According to Iowa law, all septic systems, regardless of when they were installed, must have a secondary wastewater treatment system following the septic tank. The program is limited to owners of existing homes (not new construction) in unincorporated areas of Iowa not served by a public sewer. The Iowa Department of Natural Resources administers the program in cooperation with County Sanitarians and IFA acts as the financial agent. In FY07 the OSWAP assisted 145 households through \$1,020,736 in loans. Since inception in FY03 the program has loaned \$3,796,826 to 599 households

The *Livestock Water Quality Program (LWQ)* offers low-interest loans through participating lenders to Iowa livestock producers for projects to prevent, minimize or eliminate non-point source pollution of Iowa's rivers and streams from animal feeding operations. The types of eligible projects include lagoons, manure management structures, equipment, vegetative filters and the development of manure management plans. Assistance is limited to existing facilities for animal feeding operations with less than 1,000 total animal unit capacity. The Iowa Agricultural Development Authority administers the program, and IFA is the financial agent. In FY07 the LWQ assisted 47

communities through \$2,233,169 in loans. Since FY06 when the program began, \$3,037,407 has been loaned to 55 communities.

The *Local Water Protection Program* offers low-interest loans through participating lenders to Iowa landowners for projects to control the runoff of sediment, nutrients, pesticides or other non-point source pollutants from entering Iowa waters. The types of eligible projects include composting facilities, contour buffer strips, field borders or windbreaks, filter strips, riparian forest buffers, terraces, grade stabilization structures, grassed waterways or other practices that are shown to improve or protect water quality. The Division of Soil Conservation of the Iowa Department of Agriculture and Land Stewardship administers the program through its local Soil and Water Conservation Districts. IFA acts as the financial agent. In FY07 the LWPP assisted 300 landowners through \$4,597,283 in loans. Since inception in FY05, the program has loaned \$7,476,771 to 598 Iowa landowners.

KEY RESULTS

CORE FUNCTION

Name: [Single-Family Loan Portfolio](#)

Description: The Single-Family Loan Portfolio consists of assets purchased under the *FirstHome* and *FirstHome Plus* Programs and other single-family programs. The *FirstHome* program helps qualified first-time homebuyers obtain a below-market interest rate on mortgage loans. The *FirstHome Plus* program provides cash assistance to qualified borrowers to assist with down payment and closing costs.

Why we are doing this: To provide opportunities for Iowans to purchase safe, affordable, and accessible housing and to increase ownership opportunities to underserved populations.

What we're doing to achieve results:

- Increased *FirstHome* advertising and increased marketing efforts to minorities by participating in community events.
- Partnered with the Iowa Home Ownership Education Project and HUD to provide home buyer education.
- Expanded uses of Single-Family Endowment Fund for new construction and home rehabilitation.
- Managed the Military Service Member Homeownership Assistance Program grant funds for the state.
- Continue to provide *FirstHome Plus* up to \$2500 as cash assistance to first time home buyers.
- Maintain below-market interest rate and low costs to borrowers.
- Providing Rural Purchase Assistance.

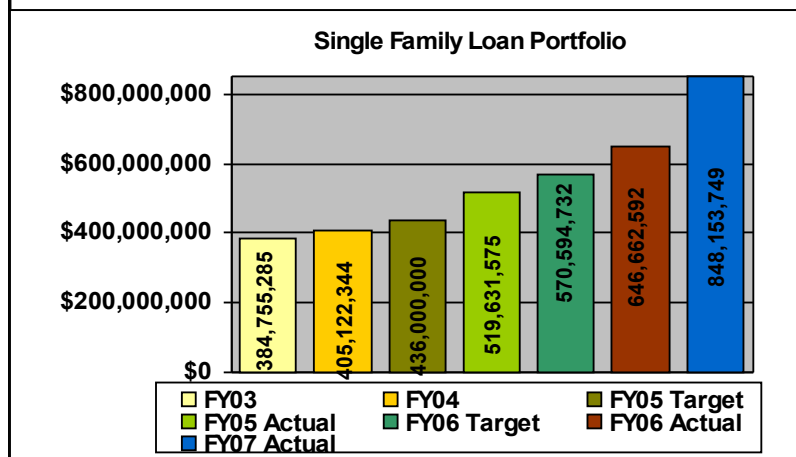
Results

Performance Measure:

Single-Family Loan Portfolio

Performance Goal/Target:

Increase portfolio by 10 percent.



What was achieved: In FY07 the single-family portfolio increased 31 percent, exceeding the performance target by 21 percent. More than 3,080 new borrowers benefited from the *FirstHome Program*, 6.11 percent of whom were minorities. More than 1,240 borrowers took advantage of *FirstHome Plus* during the fiscal year.

Data Sources: Iowa Finance Authority*

Resources: Revenues from the Title Guaranty Division supplement housing programs for first-time homebuyers. IFA has six FTEs working in Single-Family Programs.

KEY RESULTS

CORE FUNCTION

Name: [Title Guaranty Division](#)

Description: IFA provides a low-cost mechanism to guarantee title to real property to ensure the integrity of the land title transfer system and to facilitate transactions in the secondary mortgage market.

Why we are doing this: Title guaranty ensures the integrity of the Iowa land title transfer system and facilitates transactions in the secondary mortgage market.

What we are doing to achieve results:

- Revised underwriting requirements.
- Implemented Multi-media marketing campaign.
- Revision in the pricing structure and the elimination of fees for most endorsements and commitments.
- Changes made include a new product for non-purchase (refinance), transactions designed to save time and money for the consumer, and the elimination of the requirement for an appraisal.
- Free owner's coverage

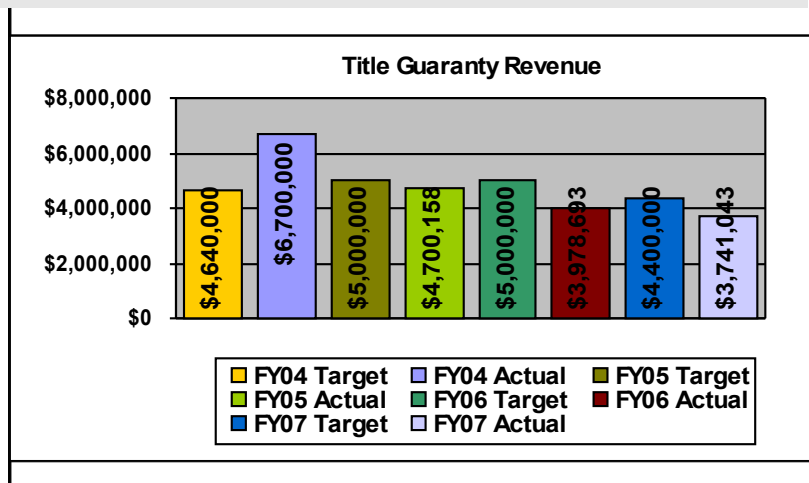
Results

Performance Measure:

Title Guaranty Revenues

Performance Goal/Target:

Title Guaranty Revenue



What was achieved: In FY07 Title Guaranty continued to develop a title product that lenders would choose to use for their Iowa properties. FY07 saw a slight revenue decrease from FY06. However, work continues on streamlining processes and procedures and promoting the enhancements to participating lenders.

Data Sources: Iowa Finance Authority*

Resources: The Title Guaranty Division is supported by revenues earned by issuing Title Guaranty Certificates. Eighteen FTEs work with lenders, abstractors, and attorneys throughout the state to ensure the integrity of the land title transfer system and to facilitate lender sales to the secondary mortgage market.

KEY RESULTS

STRATEGIC GOAL

Name: [Units for Persons with Disabilities](#)

Description: Provide technical assistance and/or financing to develop or preserve affordable apartments for persons with disabilities or elderly in need of assisted living and to provide referrals to tenants who need such units

Why we are doing this: In response to the U.S. Supreme Court ruling on the Olmstead case, Governor Vilsack issued Executive Order 27, directing state agencies to identify barriers to community living for people with disabilities and to create a plan to address those barriers. IFA is the lead agency for this effort. The Vilsack-Pederson administration set a goal of 1,000 new or preserved units of housing for people with disabilities by the end of their second term.

What we're doing to achieve results:

- Implemented State Housing Trust Fund.
- Provided funding for Iowa Able Foundation Home Modification Loan Program.
- Established Affordable Assisted Living and Service-Enriched Housing Set-asides in the Low-Income Housing Tax Credit Program and allocated credits for development of 295 units.
- Administered the Home and Community Based Rent Subsidy Program under a 28E agreement with DHS.
- Administered the federally funded Housing Opportunities for Persons with AIDS/HIC (HOPWA) Program.

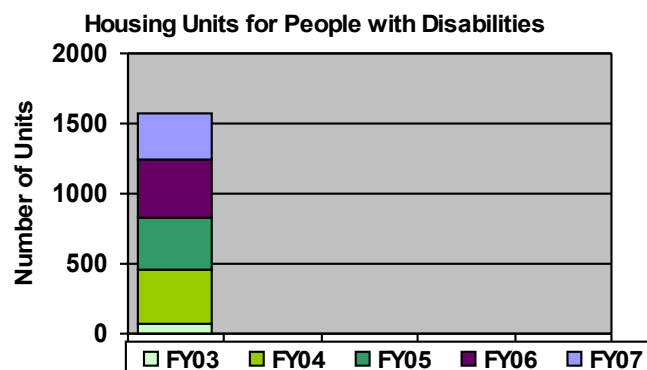
Results

Performance Measure:

Number of units created or preserved for persons with disabilities

Performance Goal/Target:

Increase the supply of service-enriched units by 1,000 over a four-year period



What was achieved: Since 2003, 1,572 units were created or preserved for persons with disabilities through the Multifamily Preservation Loan program, Low-Income Housing Tax Credits program, HUD ShelterPlus Care, IDED Housing Fund, Iowa Able Foundation, HUD Home Ownership Voucher program and the Housing Opportunities for Persons with AIDS program.

Data Sources: Iowa Finance Authority and Iowa Department of Economic Development

Resources: Multiple funding sources and agencies are involved in increasing the number of units for persons with disabilities. IFA has 12 FTEs working in affordable multifamily housing.

KEY RESULTS

CORE FUNCTION

Name: *Water Quality Programs - [State Revolving Fund](#)*

Description: The State Revolving Fund provides low-cost loans to assist with the costs of infrastructure projects for Clean Water and Drinking Water. IFA operates the program in cooperation with the Department of Natural Resources. The program is funded through capitalization grants from the U.S. Environmental Protection Agency, proceeds of bonds issued by IFA, and loan repayments.

Why we are doing this: There is a critical need for low-cost funds to assist communities with financing improvements to their drinking water and wastewater infrastructure.

What we are doing to achieve results:

- Rules have been rewritten, application materials have been improved and the loan process has been restructured.
- An on-line application process.
- Developed Planning and Design loans for communities to help with the expense of hiring an engineer and other costs associated with the planning and design states of wastewater and drinking water infrastructure projects.
- Offering 30-year loans for Clean Water projects.

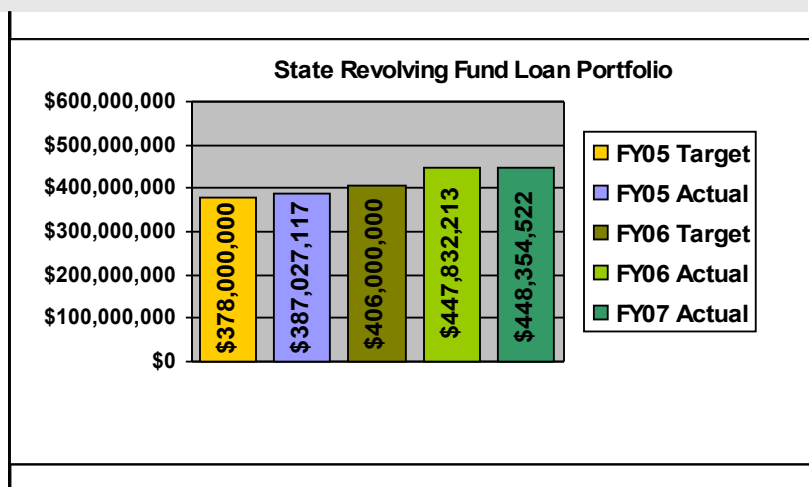
Results

Performance Measure:

State Revolving Fund

Performance Goal/Target:

Increase SRF Portfolio by 5 percent



What was achieved: The portfolio increased 10.8 percent to \$448,354,522 in FY07 compared to the FY06 portfolio value of \$447,832,213. During FY07, 28 Clean Water Loans totaling more than \$31.6 million closed and 29 Drinking Water Loans closed totaling more than \$31.5 million. As a result, more than 250,000 Iowans will benefit from improvements to their drinking water and wastewater infrastructure.

Data Sources: Iowa Finance Authority*

Resources: The U.S. Environmental Protection Agency (EPA) annually administers capitalization grants to states for state revolving funds for clean water and drinking water. IFA and the Iowa Department of Natural Resources jointly administer the State Revolving Fund. The program is funded year to year by the EPA capitalization grants, proceeds of bonds issued by IFA, and repayments under the loan agreements to participating public and private water systems. IFA has six FTEs working in SRF/Community Development.

KEY RESULTS

CORE FUNCTION

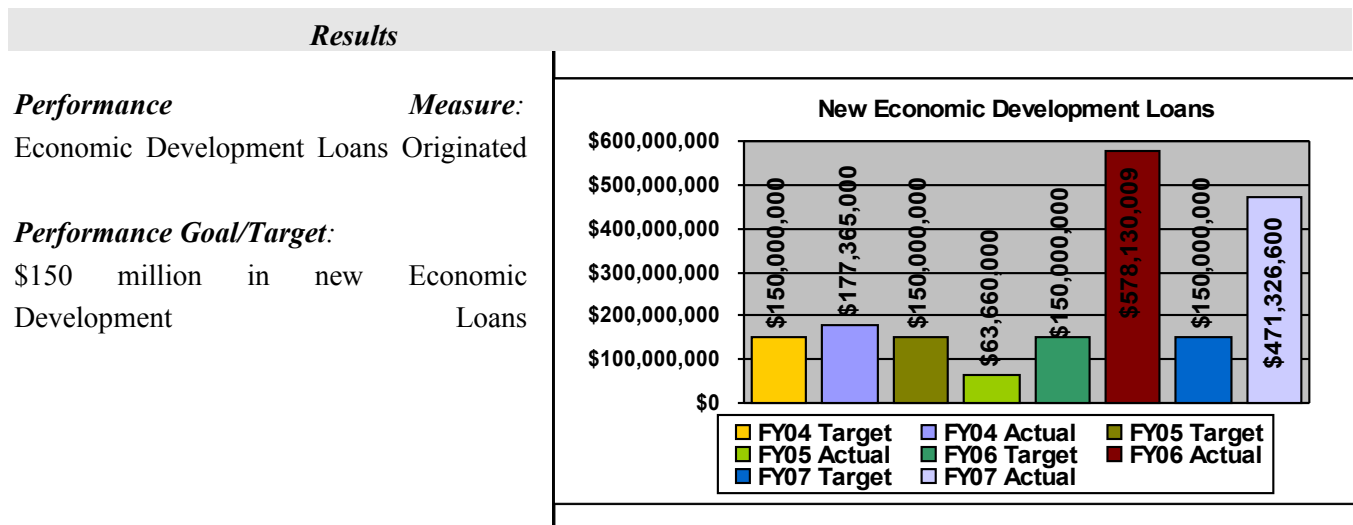
Name: *Community and Economic Development Loans*

Description: IFA issues bonds for multifamily housing developers, small businesses, and non-profit entities for eligible purposes.

Why we are doing this: Tax-exempt bonds help lower the cost of construction and rehabilitation projects for economic development. Fees generated by issuing bonds and making loans provide additional revenue for IFA.

What we are doing to achieve results:

- IFA strives to keep the process easy to use.
- IFA strives to keep fees competitive.



What was achieved: Twenty-six loans closed in FY07 for a total of \$471,326,600, well above our performance target of \$150,000,000. Iowans across the state will benefit from the remodeled and expanded hospital facilities, affordable housing projects for including college students and the elderly, and new and improved manufacturing facilities.

Data Sources: Iowa Finance Authority*

Resources: These loans are funded through origination fees from the borrower. IFA has six FTEs working in SRF/Community Development.

KEY RESULTS

STRATEGIC GOAL

Name: Issuer Credit Rating

Description: An issuer credit rating analyzes and reflects the agency's asset base, financial performance, capital adequacy, and management.

Why we are doing this: Securing a strong rating opens new doors with securities, lenders, and investors, which will help the agency expand programming.

What we are doing to achieve results:

- Managing IFA to the "AA" rating category levels of Standard and Poor's (S&P).
- Monthly tracking of S&P financial ratios.

Results

Performance Measure:

S&P Issuer Credit Rating

Performance Goal/Target:

Profitably grow IFA's financial assets (net of fair market value) to 140 percent of FY03 level and achieve and maintain an AA rating.

Ratio	FY03	FY04	FY05	FY06	FY07
Equity/asset ratio > 15%	19.8%	20%	19.4%	16.4%	14.1%
Return on assets ≥ 1%	.97%	.68%	1.35%	1.01%	0.81%
Loans/asset ratio > 70%	58.2%	62.7%	70.5%	73.3%	79.7%

What was achieved: Assets have increased to 174 percent of the FY03 level. IFA maintained its AA- rating from Standard and Poor's (S&P). The AA- rating is in the AA category, one notch below the goal.

Data Sources: Iowa Finance Authority and Standard and Poor's.

Resources: IFA is a self-funded public agency. With its nine-member Board of Directors and its employees, IFA is well-positioned to strengthen its efforts on behalf of Iowa's communities and citizens.

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Name of Agency: Iowa Finance Authority			
Agency Mission: To finance, administer, advance and preserve affordable housing and to promote community and economic development for Iowans.			
Core Function: Community Coordination and Development			
Performance Measure (Outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
Single-Family Loan Portfolio	Increase portfolio by 10 percent	31 percent portfolio increase	<p>What Occurred: The Single-Family Loan Portfolio exceeded the performance target by 21 percent, growing to \$848,153,749. This represents a total portfolio increase of 31 percent.</p> <p>Data Source: Iowa Finance Authority*</p>
	Maintain 72.7 percent home ownership percentage statewide	74 percent statewide home ownership percentage	<p>What Occurred: A 74 percent home ownership percentage places Iowa in the top quartile for home ownership with a ranking of 12th. The national average is 68.8 percent.</p> <p>Data Source: U.S. Census Bureau, Housing and Household Economic Statistics Division, Revised February 12, 2007.</p>
Habitat for Humanity Loan Portfolio	Increase Habitat for Humanity Portfolio by 100 percent	Portfolio increase of 274 percent	<p>What Occurred: The portfolio increased from \$1,501,067 to \$3,456,786, or 230 percent, in the past fiscal year largely due to a \$1.5 million loan. 100 houses were built with an additional 30 estimated for FY08.</p> <p>Data Source: Iowa Finance Authority*</p>
Multifamily Loan Portfolio	Increase portfolio by 100 percent	1400 percent portfolio increase	<p>What Occurred: The IFA Board approved four Multifamily Loan resolutions in FY07, totaling more than \$28 million.</p> <p>Data Source: Iowa Finance Authority*</p>
	Maintain housing wage at \$10.01 per hour.	\$11.42 housing wage	<p>What Occurred: The housing wage in Iowa has increased from \$11.07/hour in FY06 to \$11.42/hour in FY07. The housing wage is affected by many factors outside of IFA's control such as the State's wages and the Fair Market Rents (FMR) determined annually by HUD.</p> <p>Iowa is ranked 12th in the nation for the most affordable housing wage. The housing wage represents the hourly wage that a household must earn in order to afford the Fair Market Rent for a two-bedroom unit at 30 percent of income.</p> <p>Data Source: National Low Income Housing Coalition, <i>Out of Reach 2006</i></p>

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Core Function: Community Coordination and Development			
Performance Measure (Outcome)	Performance Target	Performance Actual	Performance Comments & Analysis
Main Street Loan Portfolio	Increase portfolio by 100 percent	None	<p>What Occurred: No loans closed in FY06; however, two loans have closed in FY07.</p> <p>Data Source: Iowa Finance Authority*</p>
Economic Development Loans originated	\$150 million in new Economic Development Loans	\$471,326,600 in Economic Development Loans	<p>What Occurred: In FY07, IFA provided over \$471 million to projects in various locations around the state.</p> <p>Data Source: Iowa Finance Authority*</p>
Title Guaranty Revenues	\$5 million	\$3.74 million	<p>What Occurred: Revenues in FY07 were \$3.74 million compared to \$3.98 million in FY06. However, work continues on streamlining processes and procedures and promoting the enhancements to participating lenders.</p> <p>Data Source: Iowa Finance Authority*</p>
State Revolving Fund Loan Portfolio	Increase SRF portfolio by 5 percent	10.8 percent portfolio increase	<p>What Occurred: The portfolio increased 10.8 percent to \$448,354,522 compared to \$447,832,213 in FY06. During FY07, 28 Clean Water Loans totaling more than \$31.6 million closed and 29 Drinking Water Loans closed totaling more than \$31.5 million. As a result, more than 250,000 Iowans will benefit from improvements to their drinking water and wastewater infrastructure. In addition, Planning and Design Loans were developed to help with the start up costs.</p> <p>Data Source: Iowa Finance Authority*</p>

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing – Affordable Rental Low Income Housing Tax Credits			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Multifamily Loan Portfolio	Add 730 units to the supply of restricted affordable units statewide	620 units added	<p>What Occurred: IFA awarded over \$6 million in tax credits in FY07 for 620 affordable rental units statewide.</p> <p>Data Source: Iowa Finance Authority Tax Credit Department</p>
Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing – Affordable Rental Compliance			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Percentage of HUD Section 8 Contract Administration Incentive Payments Earned	Fulfill contract with HUD and receive 100 percent of all incentive payments	100 percent of all incentive payments earned	<p>What Occurred: IFA earned \$1.676 million in administrative fees and \$837,991 in incentive fees with no disincentive fees applied in its performance based Section 8 Contract with HUD. The performance based contract with the U.S. Department of Housing & Urban Development currently covers 12,037 units in 75 counties.</p> <p>Data Source: Iowa Finance Authority Section 8 Contract Administration Department</p>
Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing – Affordable Rental Service Enriched Housing			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Number of apartments created or preserved for persons with disabilities or very low income elderly	Increase supply of service-enriched units by 1,000 over three-year period	A 1,572 increase in the number of units for persons with disabilities	<p>What Occurred: Housing for persons with disabilities increased by 1,572 units. The total number of units was created from several housing programs.</p> <p>Data Source: Iowa Finance Authority and Iowa Department of Economic Development</p>

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing – Affordable Rental Compliance			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Average number of tenants served by the State Rental Assistance Program	Provide rental assistance to 390 persons	348 persons	What Occurred: In FY07, an average of 348 people received rental assistance. Data Source: Iowa Finance Authority
Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing - Affordable Rental Housing State Housing Trust Fund			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
State Housing Trust Fund	Collect 100 percent of State Housing Trust Fund Loan Payments	91 percent collected	What Occurred: Seven loans were delinquent in FY07 which caused IFA to miss its 100 percent target by 9 percent. Data Source: Iowa Finance Authority*
	\$2,300,000 SHTF awards	\$1,930,000	What Occurred: \$1,930,000 was awarded in FY07. Data Source: Iowa Finance Authority
Service, Product or Activity: Housing – Affordable Rental			
Sub-Service, Product or Activity: Housing – Affordable Rental Homeless Shelters			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Funding received for Emergency Homeless Shelters	Increase grant income to \$1.3 million	\$2.4 million	What Occurred: IFA received \$2.4 million. \$1.4 from the Federal Emergency Shelter Grant Program (ESGP) program and \$1 million in the State Homeless Shelter Operations Grant (HSOG) program. As a result, 118 projects were funded across the state. Data Source: Iowa Finance Authority*

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Service, Product or Activity: Title Guaranty Division			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Timeliness of Mortgage Release	Process mortgage releases within 45 days	100 percent of mortgage release were processed within 45 days	<p>What Occurred: 100 percent of the mortgage releases processed in FY07 were completed within 45 days.</p> <p>Data Source: Title Guaranty Division</p>
Service, Product or Activity: State Revolving Fund			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Non-point Source loans	Increase non-point source loans	\$12.9 million	<p>What Occurred: In FY07 a total of \$12.9 million in loans were made. Livestock Water Quality loans totaling \$2.2 million; Local Water Protection Program for \$4.8 million; and General Non-Point Source loans totaling \$5.9 million.</p> <p>Data Source: Iowa Finance Authority*</p>
Service, Product or Activity: Resource Management			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
S & P Issuer Credit Rating (ICR)	AA- rating	AA-	<p>What Occurred: Standard and Poor's confirmed IFA's AA- rating and stated it's too soon to revisit.</p> <p>Data Source: Standard and Poor's</p>
Timeliness and completeness of financial reporting	Board and Management Financial Reports completed by due dates	100 percent	<p>What Occurred: All financial reports were prepared timely.</p> <p>Data Source: Iowa Finance Authority Accounting Department</p>
Percentage of time technology resources available	99 percent availability of network devices	99 percent availability	<p>What Occurred: 99 percent of the time the network, devices, PCs, printers and servers were available to IFA staff.</p> <p>Data Source: Iowa Finance Authority Information Technology Department</p>
	99 percent availability of email and internet	99 percent availability	<p>What Occurred: Email and internet access was available to IFA staff 99 percent of the time in FY07.</p> <p>Data Source: Iowa Finance Authority Information Technology Department</p>

AGENCY PERFORMANCE PLAN RESULTS

FY 2007

Service, Product or Activity: Resource Management			
Performance Measure	Performance Target	Performance Actual	Performance Comments & Analysis
Timeliness of performance evaluations	100 percent of performance evaluations given within prescribed time frames	100 percent timely	<p>What Occurred: All performance evaluations completed timely.</p> <p>Data Source: Iowa Finance Authority Human Resource Department</p>
Timeliness of processing purchase requests	100 percent of purchase orders processed within four business days of receipt of purchase request form	100 percent	<p>What Occurred: All purchase orders were processed within four business days of receipt.</p> <p>Data Source: Iowa Finance Authority Purchasing Department</p>
Timeliness of providing database and automation tools to agency staff	Place four new or supplemental systems into production	Six new or supplemental systems	<p>What Occurred: Six new supplemental systems were placed into production.</p> <p>Data Source: Iowa Finance Authority Information Technology Department</p>
Amount of management data available on IFA Intranet	Increase the amount of hard data available from various housing programs on IFANet by 100%	100 percent increase in hard data	<p>What Occurred: A 100 percent increase in hard data. Each department continues to expand the information on the IFANet.</p> <p>Data Source: Iowa Finance Authority Information Technology Department</p>

*IFA's financial statements have been audited by KPMG LLP, an independent auditor.

RESOURCE REALLOCATIONS

There are no material reallocations of personnel or resources to report in FY07.

AGENCY CONTACTS

Copies of the Iowa Finance Authority's Annual Performance Report are available on the ResultsIowa.org website at www.resultsiowa.org/iafinance.html or www.dom.state.ia.us/planning_performance/reports.html. Copies of the report can also be requested through Joseph Jones at 515-725-4974 or Joseph.Jones@iowa.gov.

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